

Fluor Hanford

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Business System Upgrades

Financials

- PeopleSoft 8.0 (July 2002)

Human Resources

- PeopleSoft HRMS 8.0 (July 2002)

Supply Chain

- Passport 9.0 (July 2002)

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Business Process Efficiencies

- Employee Reimbursement System (ERS)
 - In-house Developed
 - Web Based
 - Electronic Approval and Routing
 - Built in FTR edits for Business Travel
 - Reduced processing time
 - Reduced errors
 - Reduced audit support staff

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Cost Savings Measures

- Two prime contractors share system environment for Business Management Systems.
 - Maintaining separate business units for Finance and Human Resources.
 - Shared functional resources for Payroll, Treasury and Benefits.
 - System cost are shared between contractors
- Implementation of a Transportation Fringe Benefit for commuters
 - Reduced tax liability for contract and employees
 - Encourages vanpool usage

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Cost Savings Measures (con't)

- Merger of three pension plans to one
 - Projected Life Cycle savings of \$400M
 - Contributions
 - Premiums
 - Audit, Trustee, Actuarial, 5500's

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Cost Savings Initiatives

- High Technology B&O tax claim with the State of Washington
- Refund of Federal Insurance Contributions Act (FICA) taxes paid on severance pay to involuntary reduction of force (IROF'd) employees
 - <http://www.aicpa.org/pubs/jofa/feb2003/ftta.htm>
- Capitalization of Assets for Legacy Waste Sites